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ABSTRACT

The unprecedented economic growth sustained in the period following World War II to the early 1970s in the world, in Australia, and in particular, in South Australia fostered the growth of liberal education and emphasis on self-development and excellence of the individual. However, the growth in inflation from the modest levels of the early 1970s to the double-digit figures at the end of the decade has caused reappraisal of government economic policy; government is expected to contract, with the contraction to be more pronounced in social services and education. The current economic situation particularly in South Australia is seen as one where there is little growth together with no reduction in inflation and with increasing unemployment. In this situation, public funds for further education have been reduced in real terms and there has been a change from an emphasis on the total development of the individual to one on the development of marketable skills for the workforce. There is a change from an emphasis on a liberal education to one on a utilitarian education with a large demand for accountability in fund expenditure. Through the 1980s, the governments of Australia are placing their hopes on an economic recovery based on a boom in development. To that end, skilled technicians will be needed. The policy of further education should be to train and retrain adults for technical occupations. Utilitarian education, dictated by economic policy, is the educational policy of the future. (KC)

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SUBMISSION TO COMMITTEE OF ENQUIRY INTO EDUCATION IN SOUTH AUSTRALIA

occasional paper number 1

THE INFLUENCE OF ECONOMIC FACTORS ON PRACTICE IN FURTHER EDUCATION

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AUTHORS :

FRANKLIN , IAN L.
PARKINSON , KEVIN J.

This study is one of a series of papers prepared on request of the Director-General of Further Education for submission to the Committee of Enquiry into Education in South Australia. It has been prepared in consultation with a number of staff of the Department of Further Education but responsibility for the content rests with the authors.

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LIST OF CONTENTS

		PAGE NO.
1.	THE WORLD ECONOMY FROM 1945 - 1974	1
2.	THE AUSTRALIAN ECONOMY IN THE SAME PERIOD	2
3.	RELATIVE CHANGES OF SPECIFIC SECTORS AS A CONSEQUENCE OF ECONOMIC GROWTH 1945 - 1974	3
3.1	AGRICULTURAL SECTOR	3
3.2	MINING SECTOR	3
3.3	MANUFACTURING SECTOR	3
3.4	SERVICE SECTOR	4
4.	THE AUSTRALIAN ECONOMY OF THE EARLY 1970s	5
5.	FURTHER EDUCATION IN THE EARLY 1970s	6
6.	THE CHANGES OF THE 1970s	7
6.1	THE SOUTH AUSTRALIAN ECONOMY	7
6.2	THE AUSTRALIAN ECONOMY	8
6.3	CHANGES IN EDUCATIONAL ATTITUDES	8
6.4	THE SOUTH AUSTRALIAN CHANGE IN ATTITUDES TO FURTHER EDUCATION	9
7.	THE AUSTRALIAN ECONOMY TODAY	10
7.1	THE SOUTH AUSTRALIAN ECONOMY	10
8.	FURTHER EDUCATION TODAY	11
8.1	MANPOWER POLICY	11
8.2	PREPARATION FOR EMPLOYMENT (INCLUDING TRANSITION EDUCATION)	11
8.3	TRADE AND TECHNICIAN TRAINING	12
8.4	DISADVANTAGED GROUPS	12
8.5	ACCESS WITH A NEW EMPHASIS	12
8.6	THE DEPARTMENT OF FURTHER EDUCATION	13
9.	PLANNING FOR THE FUTURE	14
9.1	THE FUTURE OF THE ECONOMY IN THE SHORT-TERM	14
9.2	POSSIBLE DEVELOPMENT PATTERNS IN THE LONGER TERM	14
9.3	THE FUTURE OF FURTHER EDUCATION	15
	BIBLIOGRAPHY	19

1. THE WORLD ECONOMY FROM 1945 - 1974

As a period of world economy growth, the period from the end of the second world war to the post Vietnam recession of 1973-74 can be regarded as unprecedented in history. Factors giving rise to this economic growth were a liberalisation in international trade and capital flows, increases in industrial specialisation and restructuring, increased emphasis on technological innovation, reductions in communication and transport costs, ready access to extensive and cheap raw material supplies, an atmosphere relatively free of military conflict, the expansion of industries to new locations and supply structures flexible enough to react to changing market conditions.

This post war economic growth was managed effectively by the governments of industrialised economies through the employment of Keynesian demand management techniques. These techniques necessitated the management of aggregate demand components of consumption expenditure, investment expenditure, government expenditure, and export and import revenues such that a balance could be maintained between aggregate demand and national production. The successful use of these techniques had important long term consequences such as governments becoming committed to high growth levels, high employment levels and expectations of stability. These commitments of governments fostered investment in capital stock by private industry.

Kasper et al (1980) have noted that by the early 1960s the scope for continued industrial development in one particular economy (say Australia), by simple imitation of another (say Europe), had narrowed and that this had necessitated greater expenditures by all economies in the areas of research and development. This need for greater expenditure on research and development occurred simultaneously with increases in food and material prices. The cumulative effect was that of lowering profit expectations and hence of lowering private investment with the consequent danger of a lowering of employment levels.

The governments of industrial economies, being committed to full employment policies, used the Keynesian demand management techniques and responded by increasing public expenditure, financed by increased taxation, in order to maintain aggregate demand.

In the longer term, this increase in public expenditure resulting from the emphasis on full employment, fuelled inflation. With ongoing inflation, there were expectations about further price increases and these were built in to future wage demands.

Thus, in the early 1970s inflation began to accelerate under the Keynesian demand management techniques. This increase in inflation has prompted governments throughout the world to abandon the emphasis on full employment and to effect contractionary policies in order to reduce aggregate demand and inflation.

2. THE AUSTRALIAN ECONOMY IN THE SAME PERIOD

In the Australian context, Boehm (1979) notes that economic strategy has been dominated by the objectives as expressed in the 1945 Commonwealth Government White Paper titled 'Full Employment in Australia' of full employment, price stability, balance of payments equilibrium and a rapid rate of economic development.

Since the second world war the Australian economy, in common with the rest of the world, has experienced industrial growth. This growth has been due to the expansion of domestic markets consequent upon high migration and birth rates while at the same being protected from outside competition.

Australian industrial growth has been isolated from international competition by high transportation costs and increasing tendencies toward tariff protection for consumer goods, and these factors have discouraged it from sharing in international economic integration. In fact the profits of domestic producers have been insulated by high protection policies to the extent that Australian research and development expenditures have lagged behind northern hemisphere producers who have expanded their research and development expenditures to gain competitive advantages.

However, while the consumer goods market was wrapped in a protectionist wrapper, capital goods have flowed freely into the Australian economy. The general result of this process was such that the production of high technology capital equipment was effectively discouraged and the demand for workers with high technological skills in this area was suppressed. Furthermore the workers engaged in using this equipment were often unskilled process workers.

Also the Australian economy was viewed, and still is viewed in part, as a largely unprofitable region for the installation of high technology, large scale production plants such as were built in Western Europe during the reconstruction phase following the second world war. Thus Australian markets are perceived by potential overseas investors as being both high cost and limited in size.

These factors, combined with a reluctance to restructure production in line with changing demands, have slowed the growth performance of the Australian economy since the second world war and hence rendered it increasingly less competitive in world terms.

This problem of poor competitiveness in the world scene has been provided with surrogate solutions such as the condoning of restrictive producer cartels which allowed potential competitors to be kept out of the market and concurrent substitutes for price competition. An example of the latter is the price controls implemented by the Prices Justification Tribunal. Hence potential cost cutting technological change in the industrial sector has been artificially postponed and has produced a long term lag in structural adjustment.

Nevertheless some sectors of the Australian economy which have been openly exposed to international competition such as mining, are considered as being in the forefront of world technology.

3. RELATIVE CHANGES OF SPECIFIC SECTORS AS A CONSEQUENCE OF ECONOMIC GROWTH 1945-1974

Examination of specific Australian economic sectors reveals wide changes in their relative importance as the economy has grown.

3·1 AGRICULTURAL SECTOR

During the period under consideration the agricultural sector has seen a somewhat more rapid decline in its contribution to Gross Domestic Product (G.D.P.) than international averages. This decline has been hastened by the rise in importance of mining exports during the 1960s. Despite this relative decline, increases in agricultural productivity have produced a situation in which the Australian agricultural sector remains large relative to other countries.

3·2 MINING SECTOR

The contribution of the Australian mining sector to G.D.P. accelerated in the 1960s with the exploitation of known natural resource deposits and the discovery of further endowments. The contribution has been relatively higher than the international average, and the potential for growth has remained large.

3·3 MANUFACTURING SECTOR

The contribution of the manufacturing sector to G.D.P. grew faster than the international average from 1900 to 1955, and from 1960 declined faster.

The rapid growth phase reflects the protectionist barriers which were formulated and extended in the periods following federation. However, the Australian manufacturing industry sector contribution to G.D.P. has always been lower than the international average.

It is important to note that the results of high tariff protection policies, especially in the case of labour intensive industries, have been such that encouragement was given to the retention and extension of labour intensive industries at a time when Asian industries were developing as new and efficient competitors. Hence Australian industrial structural changes have not reflected relative growth potentials and have produced a mis-allocation of capital and labour in this sector. Kasper et al (1980) maintain that this adherence to a highly protectionist policy has caused a decline in Australia's relative position in the international ranking of living standards in terms of per capita income. In the early 1950s, Australia held a position well above almost all European and Asian countries, but by the late 1970s had slipped below the European and Asian leaders.

3·4 SERVICE SECTOR

The service sector growth in Australia has been particularly rapid since 1960. While most of this growth stemmed from the 1960 period and has remained well above international averages, the growth has occurred in service areas where potential productivity growth is small.

4. THE AUSTRALIAN ECONOMY OF THE 1970s

"The Economist" Intelligence Unit produces an annual forecast publication (World Outlook). The 1969 edition painted a rather rosy picture for short term developments in the Australian economy. G.D.P. was expected to rise by 6% per annum and prospects for the whole economy were buoyant. However, while favourable indicators had been observed for growth prospects, warnings were given about the need for skilful applications of economic control policies to avoid possible cost-price pressures. Additionally, the large growth in imports (8% over 1968) and somewhat less significant growth in export revenues were expected to produce a trade deficit.

Again in the 1970 issue, the prospects for strong economic growth were emphasised with an expected G.D.P. growth in the region of 6% to 8%. Mineral production, new private capital expenditure and building activity were all tipped to expand at relatively high rates. Warnings were again given that the threat of inflationary pressures may require further economic control in the form of tightened monetary policy controls, and that the existing tight labour market conditons would continue.

5. FURTHER EDUCATION IN THE EARLY 1970s

Despite rather muted warnings of inflationary pressures, the general outlook on the economy in the early 1970s was one of confidence and optimism based on the growth which had occurred since the second world war. This was reflected in ample funds for social services and education. Education enjoyed an unprecedented public esteem and consequently a high priority in the receipt of public funds and it could be argued that this priority bore a direct relation to the confident economic outlook.

Leaders in further education at that time emphasised the need for a liberal approach directed towards the fulfilment of the individual as a total person. The argument of the equal validity of all programmes the acceptance of which should lead to comprehensiveness of provision, permeates much of the writing of the time.

Karmel (1971) said that the interests of further education were both wide and complex. Its institutions had to cater for students of all ages except those under compulsion to attend school, for students whose intellectual levels vary widely, and for adults whose interests range from language and philosophy studies to art and craft activities.

Kangan (1974) took the argument further. Further education should give priority to the needs of the individual as a person and to his or her development as a member of society including the development of those non-vocational and social skills which affect personality. He went so far as to say that the development of the social goals of the individual as a role of further education was favoured above the production of the skilled manpower necessary for the development of the economy.

The equal validity of all forms of education was summed up by Kangan when he opposed the artificial separation of general and vocational education. In particular he maintained that training in the narrow sense could be a serious disadvantage for the student both in terms of personal development and in acquiring the basic understanding needed for continuing education.

6. THE CHANGES OF THE 1970s

6·1 THE SOUTH AUSTRALIAN ECONOMY

(a) STATE INCOME PER HEAD AND STATE TAXATION

In absolute dollar terms, the latest figures available (those for 1977/78) for total household income per head on a state basis indicate that South Australia ranked third in the listing of Australian states. However figures for the same year indicate that growth in this income during the same year lagged well behind the national growth average. It is interesting to note that during the eight years prior to 1977/78, the growth in total household income per head in South Australia's case was 209% compared to 191% for Australia as a whole, but for the same eight year period consumer prices have increased 123% for Adelaide compared to 120% for the six capitals' average.

The nett effect is that the household disposable income over the period 1969/70 to 1976/77 in South Australia has fallen at a faster rate than the national average - proportions of income left as disposable income changed from 86% to 82.1% for South Australia and the Northern Territory, compared to a movement from 84.9% to 81.7% for Australia during the period.

With regard to State taxes per head, A.B.S. figures reveal that the eight year period to 1977/78 saw the largest increases occurring in South Australia, where per capita state taxation has risen from 78% of the national average figure in 1970/71 to 90% in 1977/78. In this context it must be appreciated that South Australia has not had the same opportunities to raise revenue from the exploitation of natural resources as have some other states.

(b) EMPLOYMENT

From August 1971 to August 1979 there has been a slow growth in employment both nationally and on a state basis. Nationally the growth has been 9.5% while for South Australia it has been only 9.4%.

However, during the period there has been wide variations in the S.A. growth due to the changing relative importance of specific economic sectors. There has been no growth in private sector employment in South Australia over that period compared with a 2.7% growth nationally and in particular the manufacturing sector's share of total civilian employment has declined from 26.4% in August 1971 to 20.4% in August 1979 in comparison to a national decline for the same period from 24.7% to 20.2%.

On the other hand the growth rate in the public sector has been 26.2% Australia wide and 33.2% in South Australia.

Additionally, male and female employment prospects have changed dramatically during the 1971 to 1979 period in South Australia. The eight year period saw female private sector employment increase by 11.0% while male private employment fell 6.2%. This trend, while possibly reflecting a change in social attitudes to the composition of the workforce may also reflect a variation in the relative growth rates of the various economic sectors. In particular manufacturing employment which tends on the whole to employ men has contracted, while the tertiary sector employment expanded.

South Australia's manufacturing base of motor vehicle and white goods production is more sensitive than the average of all Australian manufacturing to changes in the national economy. As a consequence of these factors, production levels and associated employment fluctuate more strongly than the Australian average and this has prompted State Governments to attempt to broaden the local manufacturing base to reduce these employment fluctuations.

(c) CONCLUSIONS

Over the period:

(i) most S.A. industries still maintained labour cost advantages over interstate counterparts, but the smallest margins were in manufacturing industry.

(ii) a small percentage loss of labour cost advantage occurred, but this varied with the condition of the economy from time to time. In essence, when the State was buoyant, labour cost advantages shrank.

(iii) the economic disadvantages of South Australia in the total Australian economy became more pronounced. This has led to a measure of lack of optimism in the South Australian future.

6·2 THE AUSTRALIAN ECONOMY

In general the growth in inflation from the modest levels of the early 1970s to the double digit figures at the end of the decade has caused a reappraisal of government economic policy in a generally less optimistic atmosphere. In particular there have been demands for a contraction of government expenditure with that contraction to be more pronounced in the social services and education.

6·3 CHANGES IN EDUCATIONAL ATTITUDES

As a consequence the concern with general educational development rather than vocational preparation has come under increasing scrutiny since 1970. Sheldrake and Nilssen (1978) observed that we have moved out of the comfortable period of the early 1970s into a time of stringency and uncertainty with the discomforts of budgetary pruning. The 'pursuit of excellence' and 'equality of opportunity' which were almost inviolable principles of the early 1970s, have become to be seen as the easy rhetoric by which unchecked expansion could be justified.

Burgess (1978) noted that, during the same period that this change of circumstances observed by Sheldrake and Nilssen was occurring, a new academic discipline (the economics of education) had grown up. This discipline is concerned with such things as manpower planning and the contribution of education to economic growth.

The situation is that, over the last ten years in further education, the move has been away from a philosophy of educational opportunities for all (the unrestricted access concept of Kangan) with emphasis on the social

needs of the individual to a philosophy which is consistent with a period of stringency and uncertainty.

6·4 THE SOUTH AUSTRALIAN CHANGE

This change in outlook has been reflected in the pattern of enrolment in further education courses in South Australia (Table 1). In 1972 over 30% of the total teaching effort was directed to non-vocational courses, but this had dropped to under 20% by 1979. While the amount of teaching effort devoted to non-vocational courses has remained static, the teaching effort devoted to vocational courses has nearly doubled.

TABLE 1 ANALYSIS OF STUDENT HOURS 1972-1979

Year	Vocational Courses	Non-vocational Courses	Total	Non-vocational as % of vocational	Non-vocational as % of total
72	5 171 189	2 573 895	7 745 786	49.7	33.2
73	5 835 415	2 173 237	8 008 652	37.2	27.1
74	7 938 731	2 180 563	10 119 294	27.5	21.5
75	8 549 421	2 167 805	10 717 226	25.4	20.2
76	9 527 496	2 749 515	12 277 011	28.9	22.4
77	10 922 116	2 681 628	13 603 744	24.6	19.7
78	10 405 850	2 479 189	12 885 039	23.8	19.2
79	9 977 880	2 345 583	12 323 463	23.5	19.0

7. THE AUSTRALIAN ECONOMY TODAY

The edition of 1980 World Outlook reveals a decidedly less optimistic view of the Australian economic situation than that which it showed at the beginning of the decade. Using O.E.C.D. forecast figures, the Australian G.D.P. growth is forecast to slump from 4.75 in 1979 to 2.75 during 1980. Primary reasoning for this expected growth decline lies in the facts that surplus stocks are expected to be cleared prior to further production and that there will be a reduced contribution to overall output from the foreign trade balance. Inflation rates in 1980 are expected to remain broadly stable at about 1979 levels, but increases in unemployment and bleak prospects for employment growth are expected to result from weakened economic activity.

The W.O. forecast for 1980 mentions the recently announced investment projects with a potential total value of $A16 billion, that are either coming on line or firm in prospect (Department of Industry and Commerce 1980). However, the forecast adds that while these investments hold potential for massive growth increases, they are of a long-term nature and will not assist an increase in economic activity in the short-term.

In summary, the 1979/80 forecast indicates weak but positive Australian economic growth, sustained largely by export incomes from minerals, agricultural and manufactured products. A decline in inflation is seen as unlikely as prospects exist for wage increases to add to the cost price spiral. Additionally, the deflationary focus of economic policy is seen as producing further unemployment rather than consumer price reduction.

7.1 THE SOUTH AUSTRALIAN ECONOMY

A submission to the Commonwealth Grants Commission by South Australia has indicated that the South Australian economy is relatively depressed. The unemployment rate is the highest of any Australian state and this is particularly true for those at the lower end of the working age bracket.

The State relies heavily on the manufacturing sector for employment and that sector is in decline. The building industry has only just begun to climb out of a deep slump which was due to past oversupply and to reduced demand arising from declining population growth.

8. FURTHER EDUCATION TODAY

The current economic situation particularly in South Australia is seen as one where there is little growth together with no reduction in inflation and with increasing unemployment. In this situation public funds for further education have been reduced in real terms and there has been a change from an emphasis on the total development of the individual to one on the development of marketable skills for the workforce. There is a change from an emphasis on a liberal education to one on a utilitarian education with a large demand for accountability in fund expenditure.

Current writings in further education have this continuing theme of pragmatism. The demand is for more recognisably saleable skills but with emphasis on providing these for easily identifiable minority groups. Some examples will illustrate the point.

8·1 MANPOWER POLICY

Williams (1979) stated that any projected expansion in further education, including any likely increase in pre-employment courses, depended upon the provision of better manpower data for planning purposes.

Crawford (1979) pointed out that the capacity of the economy to sustain change is influenced by the extent to which there is a matching of the availability of jobs to the number of people with particular skills at a particular time and in a particular place. Beltz (1979) recommended that the labour market trends should be one factor which influences the nature of existing and proposed courses.

It is in an endeavour to resolve this problem that the State Government has decided to establish a Manpower Planning Unit.

8·2 PREPARATION FOR EMPLOYMENT (INCLUDING TRANSITION EDUCATION)

The Australian Education Council has taken the view that a major responsibility of education (and by implication further education) is the preparation of young people for work.

Beltz (1979) recommended a broader application of pre-apprenticeship and pre-vocational training. High levels of youth unemployment are expected to persist into the 1980s and there is a need for long-term action to provide a comprehensive transition programme between school and stable employment.

A recommendation of the Manpower Services Commission (1976) supported this view.

"All young people of 16-18 years of age who have no job, or, who are not engaged in further or higher education should have the opportunity for training, of participating in a job creation programme, or, of work experience." (O'Brien 1977)

And in particular for South Australia Anderson (1978) suggested that the highest priority in further education should be given to the problems of young people who are leaving school and not going on to employment or further study.

8·3 TRADE AND TECHNICIAN TRAINING

Both Karmel (1979) and Anderson (1978) see the central role of further education as training of technicians and for skilled occupations (including the trades).

It was considered important that further education should have the potential capacity to respond to any increased demands for trade training and for it to have increased capacity as the expected reduction in the responsibility of employers for training occurs.

Connell (1978) described the role of technical college courses as offering direct and relevant training for a vocation in close association with a factory or office. Students should be taught by persons who are skilled and experienced craftsmen, and should concentrate on the acquisition of skill through practical experience.

To this end Williams (1979) saw the need for further education teachers to bring up to date their knowledge of industry and commerce so that the industrial relevance of courses was maintained.

8·4 DISADVANTAGED GROUPS

It would almost seem that concomitantly with a return to the utilitarian in education, this new pragmatism is matched by a concern to see that all are brought under its influence. Hence the concern for disadvantaged groups.

Anderson (1978) argued that further education in South Australia should give priority to migrants, Aborigines, women, country residents and school leavers facing unemployment.

Ford (1978) has noted that education in Australia has tended to assume a mono-cultural workforce whereas Australia has the most multi-cultural industrial workforce of any country, except perhaps Israel. He urged a massive educational effort to ensure that all members of the workforce can communicate in English.

8·5 ACCESS WITH A NEW EMPHASIS

Williams has returned to the principle of open access but with a change in emphasis which probably reflects as well as anything the change over ten years. Further education must be concerned with those groups in the community which encounter real or perceived barriers, e.g. those with limited educational attainment or those in isolated areas. But not for a comprehensive education programme - now it is the training needs of these people.

8·6 THE DEPARTMENT OF FURTHER EDUCATION

In his annual report to the South Australian Minister of Education, Kloeden (1979) said that during 1979 the pressing needs of vocationally relevant education had led some to question the relative importance of community and general education. An examination of the trends emerging in the economy made 1979 a pivotal year for further education. The 1980s emerge as a period of challenge.

9. PLANNING FOR THE FUTURE

9·1 THE FUTURE OF THE ECONOMY IN THE SHORT TERM

Stoneman (1980) provides some reasoned insight for future Australian economic activity together with expected changes in basic determinant factors.

With regard to the inflation prospects in the forecast period 1979-83, a moderation in the upward movement of prices is seen to be dependent on the maintenance of wage restraint, primarily through the continuation of labour market slackness. The current high unemployment levels are not expected to improve until the end of the forecast period, at which time some employment stimulation may begin to occur from improved external demand. For an improvement to occur in the area of employment, demand increases will have to be sufficient to overcome both the high levels of unemployment and the additions to the workforce (currently 2% p.a.).

The forecast for 1979-1983 expects Australian G.D.P. to grow at an annual rate of 3.8% (compared to the 6% to 8% forecasts of 1970). This rather modest figure is seen as depending on higher contributions of business fixed investment, declines in the public sector as a growth source, and a healthy growth in Australian exports. However, with even further action in the control of inflation, including wage restraint, it is expected that annual consumer price increases could be reduced only to the region of 6% to 7%.

9·2 POSSIBLE DEVELOPMENT PATTERNS IN THE LONGER TERM

A number of options for future Australian development strategy have been examined by Kahn and Pepper (1980).

Four options were chosen as the most likely and these were examined in some detail.

The first, "A business as usual Australia", describes the continuance of the conditions of inefficiency and uncompetitiveness which exist in a trade isolated Australia. The prognosis under this option is the continuance of high inflation and high unemployment levels into the 1980s.

The second, "A premature post-industrial Australia", describes possible conditions which could develop from a reliance on attitudes favouring consumption now rather than investment for the future. The post-industrial society is said to rely on production surplusses in order to decrease absolute poverty and to enable a greater choice of lifestyle. In the opinion of Kahn and Pepper this option is premature.

The third called 'reformed protectionism' recognises the detrimental effects of high tariff protection levels and sees a need for their gradual reduction. The option recognises both the economic distortions that have occurred due to protectionist policies of the past, and the potential short-term political costs for them. It is recognised that Australian economic conditions may have to worsen still further before corrective action is taken with regard to tariff reductions.

While it is noted that some non-economic reasons may validly be employed to argue for the retention of some uneconomic industries, the basic thrust of this option is to retain some benefits of protectionism while achieving a lower cost structure. It is noted also that structural adjustments such as that which would occur from reformed protection policies, occur more often during periods of recession and high unemployment.

The fourth, 'economic dynamism', with its goals of transforming the country in an effort to increase per capita incomes and foster further economic and cultural expansion, is said to be out of fashion in Australia today. It is seen as unpopular due to the necessity for reductions in current consumption to enable increased investment. It is said to be achievable only through the operations of a market economy with supportive government policies.

In effect it means that Australia should expand the export of agricultural and mineral products and reduce the emphasis on traditional manufacturing industry. Indeed it is the intention of this option that manufacturing industry develop in a technological and specialist sense, and that inefficient industries should fail as protection levels are reduced.

Kahn and Pepper (1980) speculate on the most likely options to be adopted for future Australian development and conclude that the third, 'reformed protectionism', seems appropriate for adoption in Australia.

It is significant to note that recent press coverage of the courses of action recommended by the Federal Treasury for adoption by the National Government to combat existing adverse economic conditions (Kelly (1980)) support a policy of reformed protectionism. Indeed press reports indicate that the Treasury has been critical of the decision of the National Government to bypass the recommendation of the Industries Assistance Commission for tariff reductions in specific industries.

9·3 THE FUTURE OF FURTHER EDUCATION

Abbey (1980) sees three major issues as influencing the economic climate in the 1980s - protection, overseas investment and public sector provision. It is the battles around these issues which will shape post-secondary education in the 1980s. He also criticises educationists for not understanding the economic processes which affect their practices. 'The historians and sociologists of education have not equipped themselves at all to understand the links between changes in the education system and changes in its politico-economic context.'

Whichever option for the future is accepted, and, whatever lack of understanding of its effects there is among educationists, there is one overriding principle in which the outcome of practice in further education will depend. The less optimistic the economic outlook, the less money there will be for further education and the more emphasis there will be on education for specific employment purposes.

Ward (1979) claims that detailed studies of employment prospects in Australia all agree that there will be higher levels of unemployment and a depressed economy. In his opinion the general outlook is gloomy and, if he is correct, the emphasis in further education will be increasingly utilitarian.

While not accepting the proposition of a theory that links high levels of education in the population to economic prosperity as valid, Charlesworth (1980) accepts and bemoans the effect of the theory in practice. "Unfortunately in times of barbarism and cultural darkness, such as the present, the traditional defence of liberal education sounds like wild-eyed romanticism", he says.

On the other hand other commentators are not nearly as pessimistic. Viner (1979) says that Australia is on the threshold of a new age of development and that the latest employment and unemployment figures are a good indication of improvement on the economy.

This view should lead to more money for further education and hence the opportunity for liberalisation. But here is the paradox. The emphasis of Viner and others is that a utilitarian education is needed to sustain a growing economy. Perhaps the optimism is not as real as it is hopeful.

Viner sees the role of government as ensuring that manpower considerations receive sufficient emphasis in education planning alongside the more traditional considerations of individual student and community demand. He predicts that further education will continue to change so as to be increasingly relevant to the world of work. He suggests that the National Training Council should take a more active interest in the training carried out in colleges of further education in order to ensure that they continue to fulfil their obligations to meet the needs of industry.

Wilson (1980) reiterates these sentiments for South Australia in particular. The role of government, he says, is to provide adequate training arrangements in order to ensure that new skills can be learned and that existing skills are upgraded.

This is particularly true in South Australia because it has a large proportion of its workforce engaged in manufacturing and extractive industries. These industries are generally too small to make in-house training economic.

The Government of South Australia intends to exercise its role by replacing the existing Apprentices Act with an Industrial and Commercial Training Act. The apprenticeship system will be revised and a framework for the whole sphere of industrial and commercial training will be provided. Some consider, as a consequence, there will be a considerable transfer of responsibility for further education in South Australia from the Minister of Education to the Minister of Industrial Affairs and Employment. This could well be the extreme of the swing from a liberal to a utilitarian view of further education.

The National Training Council has taken up the theme of the importance of vocational training in its own right. In an editorial in the January 1980 edition of "Training Talkback" it says that "the plain facts are that there are not enough tradesmen being trained in Australia".

Fitzgerald (1979) as leader of the National Training Council training study mission recommended closer liaison between industry and T.A.F.E. to meet industry training needs and agrees with Viner (1979) that the National Training Council should take a more active interest in T.A.F.E. training, support T.A.F.E. colleges as a major training resource and ensure that industry training committees liaise with T.A.F.E. to prevent duplication of effort.

The realpolitik of further education is very neatly summed up by Williams who said that further education is involved or required to implement the economic and social programmes of the Government while Partridge (1978) had the last word. "Technical education has always had an economic purpose."

To planners in further education, the future is clear. Australian governments are placing their hopes on an economic recovery based on a boom in development. West (1980) reflects the convential wisdom when he says that a skilled labour shortfall will be one of the biggest problems facing industries in the 80s and McKechnie (1980) articulates the convential solution.

"Emphasis should be placed on providing tradesmen through apprenticeship programmes and adult training schemes."

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